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FISCAL IMPACT STATEMENT

LS 6670

BILL NUMBER: HB 1056

NOTE PREPARED: Dec 22, 2011

BILL AMENDED:

SUBJECT: Novelty Lighters.

FIRST AUTHOR: Rep. Frye R

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: *List of Novelty Lighters*- The bill requires the State Fire Marshal to identify and publish a list of novelty lighters.

New Infractions- The bill makes the manufacture or import of a novelty lighter for sale, distribution, or resale a Class A infraction. The bill makes the sale or distribution, other than at retail, of a novelty lighter a Class B infraction. The bill makes the retail sale or distribution of a novelty lighter a Class C infraction. The bill provides that funds collected as judgments for novelty lighter infractions are to be deposited in the Fire and Building Services Fund (FABSF) rather than the state General Fund.

Enforcement- The bill authorizes the State Fire Marshal to enter into agreements with local agencies for the enforcement of novelty lighter laws.

Search and Seizure- The bill provides that the State Fire Marshal or a designated local officer may seize and destroy novelty lighters. The bill authorizes the State Fire Marshal and designated officers to search facilities and records related to the business of selling, distributing, manufacturing, or importing lighters.

Attorney General- The bill provides that the Attorney General (AG) may bring various actions at the request of the State Fire Marshal to enforce novelty lighter laws.

Rules- The bill authorizes the Fire Prevention and Building Safety Commission (FPBSC) to adopt rules to implement the novelty lighter law.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *List of Novelty Lighters/Enforcement-* The State Fire Marshal would need to identify, publish a list of, and annually update a list of novelty lighters. The State Fire Marshal would have the option to enter into agreements with local agencies to enforce novelty lighter laws.

Search and Seizure- The State Fire Marshal or a designated local officer would be given the authority to seize and destroy novelty lighters. The bill authorizes the State Fire Marshal and designated officers to search facilities and records related to the business of selling, distributing, manufacturing, or importing lighters.

These additional responsibilities would present an additional workload to the Fire Marshal outside of the Fire Marshal's routine administrative functions. Existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation of the bill's provisions. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this provision will depend on further legislative and administrative actions.

Attorney General- If requested by the Fire Marshal, the Attorney General may bring various actions to enforce novelty lighter laws. Bringing actions in the name of the state of Indiana is a normal function of the AG's office. The AG would likely be able to carry out additional actions within existing resources, if similar agency staffing and resource levels are maintained in future years.

Rules- The bill authorizes the FPBSC to adopt rules to implement novelty lighter laws. The Department of Homeland Security (DHS) provides staff for the Commission. Rules adoption is within the DHS's routine administrative functions and should be able to be implemented within their existing level of resources.

Background Information- The U.S. Census Bureau's Economic Census of 2007 indicates that there were 608 gift, novelty, or souvenir-type stores in Indiana during 2007. During the same period there were 51 miscellaneous durable good warehouse-type facilities in Indiana. The Census Bureau's 2009 county business patterns report listed 522 gift, novelty, or souvenir-type stores in Indiana.

Explanation of State Revenues: *New Infractions-* Violation of the bill's provisions regarding manufacturing, selling, and importing novelty lighters would cause an A, B, or C infraction. The maximum judgment for a Class A infraction is \$10,000; for a Class B infraction, \$1,000; and for a Class C infraction, \$500.

Infraction fines from judgments regarding novelty lighters would be deposited in the Fire and Building Services Fund instead of the state General Fund. The amount of revenue generated from infraction fines is unknown, but likely to be small.

Explanation of Local Expenditures:

Explanation of Local Revenues: *New Infractions-* If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: State Fire Marshal, Department of Homeland Security.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Mara Synder, Legislative Liaison, Department of Homeland Security; U.S. Bureau of Census.

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